



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 18, 2006

Jared Jackson
American Gilsonite Company
HC 73 Box 28
Vernal, Utah 84078-9284

Subject: Approval of Drilling Proposal, American Gilsonite, Bonanza Mine,
M0470010, Task 1618, Uintah County, Utah

Dear Mr. Jackson:

The Division has reviewed and approves your proposal, received by electronic mail November 6, 2006, to drill two to four holes at each of two sites. These are located within existing disturbances near I-30 and WH-4, so the areas are included in your current reclamation surety.

The cost to reclaim these holes is minimal compared to the total cost for reclaiming the mine site, so the Division will not require an increase in the surety. You will still be obligated to reclaim the holes according to rule R647-4-108.

Thank you for your cooperation.

Sincerely,

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:PBB:pb

cc: Stan Perkes, State BLM Office

P:\GROUPS\MINERALS\WP\M047-Uintah\M0470010-AGC\final\app-12142006-exp.doc